



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 11, 2007

Mr. Gordon Ziegler, President
Ziegler Chemical & Minerals Corp.
366 North Broadway STE 210
Jericho, New York 11753

Subject: Request for Complete Reclamation Contract and Actions Associated with
BLM Surety, Ziegler Chemical & Minerals Corp., Tom Taylor Mine,
M0470065, Uintah County, Utah

Dear Mr. Ziegler:

The Division received via Fax delivery the BLM Statewide or National form 3104-3, in the amount of \$132,000.00, bond number _____ issued by Bond Safeguard Insurance Company. Schedule A, of form 3104-3, identifies several BLM lease numbers, including, U-0122694, which is associated with Tom Taylor Mine.

Division regulatory requirements state that a separate reclamation surety is not required where a form and amount is held by other governmental entities, provided that the cost estimate is accurate and the Division is named as co-beneficiary.

Because this particular bond assures compliance with BLM terms and conditions relating to diligence, productions, royalty and rental, and not limited to reclamation only, the Division would like the BLM to provide written documentation indicating \$11,000.00 will be allocated to comply with the permit terms and conditions including reclamation of the Tom Taylor Mine Site. In addition, the Division must be named as co-beneficiary to the bond. Taking this action will satisfy the Division bonding requirements. If it is determined that the Division cannot be named and the BLM cannot provide written documentation identifying the specific reclamation dollar amount associated with this site, then Division will require a separate bond.

The Division requests the following action:

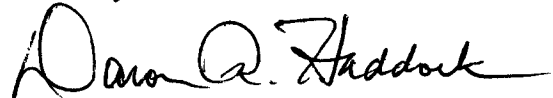
- Contact the surety company and ask for a rider naming the State of Utah, Division of Oil, Gas and Mining. Please note the BLM will be the Division agent for any actions associated with the Surety;
- Work with the Division and the BLM in obtaining written documentation indicating there is \$11,000.00 as part of the existing bond to reclaim the site;
- Complete, sign and notarize the enclosed small mine reclamation contract

Please ensure these required actions gain your prompt attention so this permit is in compliance with state regulatory requirements.

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Thank you in advance to your prompt attention to this important permitting matter. Please contact Beth Ericksen, (801) 538-5318 with questions and/or assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron A. Haddock". The signature is fluid and cursive, with a large initial "D" and "H".

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb
Enc: small mine reclamation contract,
cc: Paul Baker, DOGM
Beth Ericksen, DOGM
Opie Abeyta, BLM (Opie_Abeyta@blm.gov)
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